



**MSINGA MUNICIPALITY  
UMKHANDLU WASEMSINGA  
PRIVATE BAG X530  
TUGELA FERRY**

Tel: +27(0) 33 493 0762, Fax: +27(0) 33 493 0757

---

**2018/2019 DRAFT BUDGET QUALITY CERTIFICATE**

I **S L Sokhela**, Acting Municipal Manager of **Msinga Municipality**, hereby certify that the Adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under this Act, and that the Draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Thank you.

---

Mr. S L Sokhela  
The Accounting Officer  
Msinga Municipality (KZ244)  
Date:

## **ITEM A DRAFT BUDGET 2018/2019**

### **EXECUTIVE COMMITTEE**

#### **ROUTING:**

### **FULL COUNCIL MEETING 2018/03/28**

#### **1. PURPOSE**

To submit to the Council the draft budget proposals for 2018/2019 and Capital Budget 2018/2019 financial year.

#### **2. STATUTORY REQUIREMENTS**

In terms of Section 10(G)(4) of the Local Government Transition Act, Second Amendment Act, 1996 (Act 97 of 1996) the Council shall submit to the Minister of Finance within 14 days from the adoption thereof by Council for the purpose of monitoring whether the maximum expenditure limits have been complied with: Provided that the Minister of Finance may delegate this monitoring function to the MEC responsible for Finance.

Section 10(G)(4) of the Act mentioned above provides that "in so far as it may be essential for the pursuit of the national economic policy, the Minister of Finance, after consultation with the Minister, determine maximum expenditure limits for the budgets or components of such budgets of municipalities for a financial year."

The Minister of Finance has therefore set the maximum expenditure increases of 6% for each of the capital, special and trust funds and operating budgets.

These restrictions do not take into consideration new municipalities that have been recently established as ours, resulting in some functions not efficiently, effectively and efficaciously being performed.

#### **3. BUDGET PRINCIPLES / METHODS**

##### **3.1 SALARIES, WAGES AND ALLOWANCES**

A provision of 8% increase has been made in staff salaries, wages and allowances.

##### **3.2 COUNCILLOR SALARIES AND ALLOWANCE**

The provision for Councillors salaries, allowances and benefits have been based on Government gazette draft Notice No. R 1224 for the determination of the upper limits of the salaries, allowances and benefits of the different members of the municipal council. A provision of 8% increase has been made although this may not be realized.

#### **4. RESOURCE SUPPORT SERVICES**

##### **4.1. OPERATING INCOME**

###### **4.1.1 TARIFF OF CHARGES**

Refer to tariff of charges.

##### **4.2. EQUITABLE SHARE**

An amount of R 145 753 000 has been allocated to the Msinga Municipality for the financial year 2018/2019.

##### **4.3. GRANTS**

###### **4.3.1. Financial Management Grant**

An amount of R 1 900 000 has been allocated to Msinga Municipality.

###### **4.3.2. Expanded Public Works Grant**

An amount of R 4 394 000 has been allocated to Msinga Municipality.

###### **4.3.3. MIG Grant**

An amount of R 36 715 000 has been allocated to Msinga Municipality.

###### **4.3.4. Intergrated Electrification Programme Grant**

An amount of R17 700 000 has been allocated to Msinga Municipality.

###### **4.3.5. Library Grant**

An amount of R 836 000 has been allocated to Msinga Municipality.

##### **4.4. OPERATING EXPENDITURE**

The total operational expenditure amounts to R 179 735 428

#### **5. CAPITAL BUDGET (PROJECTS)**

The total capital projects is R 68 926 904 or the 2018/2019 financial year.

## 6. RECOMMENDATIONS

It is recommended that Council resolve as follows:

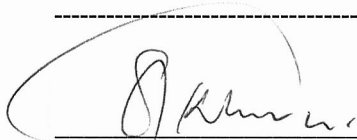
- 6.1. That the proposed estimates of operating income and expenditure for 2018/2019 financial year as submitted be approved.
- 6.2. That the proposed estimates of capital projects and programmes for 2018/2019 financial year be approved.
- 6.3. Free Basic Services vote be utilized for any Community Projects relating to a Service by the discretion of Council.
- 6.4. That the Budget is funded and in line with MSCOA.
- 6.5. That the Draft Budget be submitted in the MSCOA 6.2 version and the A1 6.2 Schedules be submitted to Provincial Treasury and National Treasury.

\_\_\_\_\_  
**B P NGCOBO**  
**HONOURABLE MAYOR**

Date: \_\_\_\_\_

Recommendations supported/~~Not supported~~

-----  
-----  
-----  
-----



**S L SOKHELA**  
**ACTING MUNICIPAL MANAGER**

Date: \_\_\_\_\_